Wisconsin Focus on Energy

Financial Incentives

Presentation to the

Air Innovations Conference
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Focus on Energy Program

Department of Administration, Division of Energy

- Public Benefits program Created by Wisconsin Act 9 in 1999
- Includes Energy Efficiency and Low Income Programs
- Act 9 requires a non-profit Administrator
- Renewables (4.5%) and Environmental Research (1.75%) funding percentages are specified in Act 9

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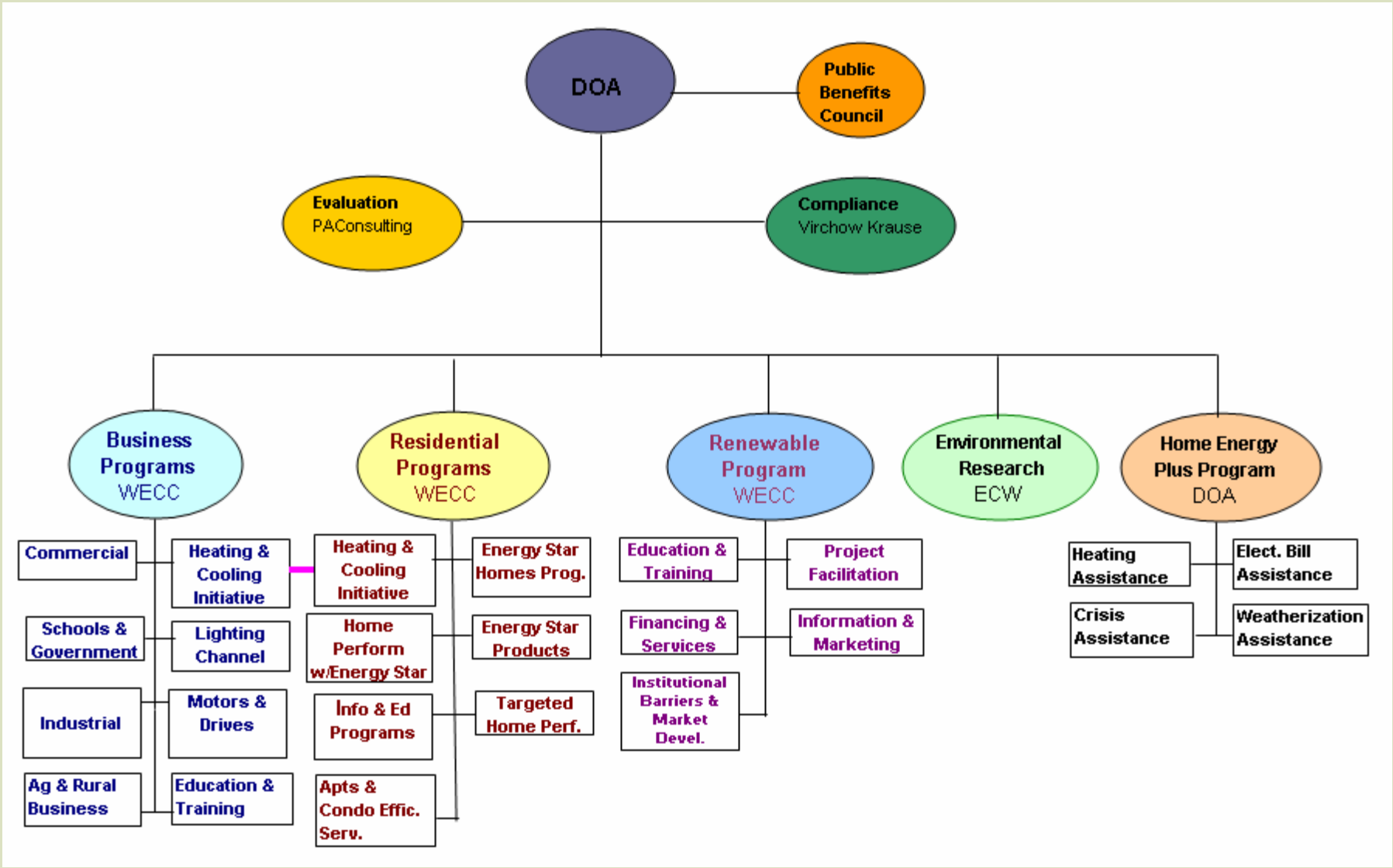
Organizational Chart for Public Benefits Programs



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Focus on Energy Partners

- **Over 3,000 market providers:**
  - **25 Manufacturers**
  - **55 Distributors**
  - **415 Builders**
  - **865 Retailers**
  - **265 Consultants/Architects/Engineers**
  - **1,050 HVAC Contractors/Plumbing**
  - **200 Electrical Contractors**
  - **55 Photovoltaic/Wind/Solar H2O Firms**
- **45 Trade Organizations**
- **85 Implementation Contractors**
- **All Class A Utilities and Participating Municipal Utilities**

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Benefits by Sector (July 2001-March 2005)

	Business	Residential	Renewable	Total
Electricity kWh Savings	393,696,977	284,686,381	24,972,240	703,355,598
Natural Gas Therms Savings	26,351,793	6,067,583	344,247	32,763,623
Energy Cost Savings (annually)	$41,090,208	$31,319,743	$2,572,542	$74,982,493

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Environmental Benefits

(July 2001-March 2005)

- Emissions Reductions in Pounds:
  - Nitrogen Oxides- 4,009,127
  - Sulfur Oxides- 8,580,938
  - Carbon Dioxide- 1,547,382,316
  - Mercury- 34

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Other Non-Air Quality Benefits

Other “public benefits” as reported in the Focus evaluations:

- State receives a net return of $6.56 for every dollar spent on the Focus on Energy program

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Business Programs

- Commercial
- Industrial
- Agriculture
- Schools & Local Government
- Lighting Channel
- Heating and Cooling Initiative
- Motors and Variable Frequency Drives

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Business Program Barriers

- Cost Differential of Energy Efficient Equipment
- Lack of Knowledge or Information
- Change viewed as risky to their operations
- Limited Product Availability

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Business Program Lessons

- Work with end-use customers (demand side)
- Working upstream in the market channel (supply side)
- Technical Assistance
- Education & training
- Financial incentives

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Business Program Incentives

- **Agricultural:** lighting, milk-house equipment, fans
- **Commercial Specialty:** anti-sweat heater controls, pre-rinse sprayers, Guest Room Energy Management, pc network energy management
- **Compressed Air Incentives:** nozzles and feasibility studies
- **HVAC:** boilers, furnaces, set-back thermostats, air conditioners etc.
- **Motor and VFD:** Between $2 and $5 per Horse Power

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Business Program Incentives

- **Lighting:** lamps, fixtures, ballasts, LED exit signs, occupancy sensors etc.
- **Custom grant** - promotes a "systems" approach when synergies from multiple measures provide greater benefit. Up to $100,000 per project
- **Feasibility Studies –** Up to 50% of project cost, maximum of $7,500 per study
- **Service Buy-Down –** cash grants for energy efficiency maintenance solutions
- **Prescriptive-** set dollar amount per unit installed

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Residential Program Incentives

ENERGY STAR Compact Fluorescent bulbs (CFLs) $1.50 per bulb

ENERGY STAR residential appliances: incentives between $25 and $100 depending on the appliance

- Clothes Washers
- Dehumidifiers
- Room AC
- Torchieres
- Refrigerators
- Freezers
- Dishwashers
- Lighting fixtures
- Ceiling fans

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Renewable Program Incentives

Key barriers to projects:

- **Marginal economics due to lack of consistent buyback rates, etc.**
- **Equipment uncertainties**
- **Lack of knowledge about benefits & what's involved**

FY06 Financial Incentives:

- **Feasibility grants (up to $10,000)**
- **Low interest loans: up to $4,000 to buy down interest rate for purchase of residential renewable energy systems**
- **Cash-back Rewards and Implementation grants, up to $10,000 to encourage customers to purchase renewable energy systems**

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